

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 72 be amended to read as follows:

- 1 Page 3, line 16, strike "Except as provided in subsection (b)," and
- 2 insert **"For a member of:**
- 3 **(1) the Indiana state teachers' retirement fund; or**
- 4 **(2) the public employees' retirement fund who retires before**
- 5 **January 1, 2009;"**.
- 6 Page 3, line 17, block left beginning with ""vested".
- 7 Page 3, between lines 18 and 19, begin a new paragraph and insert:
- 8 **"(b) For a member of the public employees' retirement fund**
- 9 **who retires after December 31, 2008, "vested status" as used in this**
- 10 **article means the status of having at least eight (8) years of**
- 11 **creditable service."**.
- 12 Page 3, line 19, strike "(b)" and insert "(c)".
- 13 Page 3, line 31, after "(3)" insert **"after December 31, 2008,"**.
- 14 Page 3, line 31, strike "ten (10)" and insert **"eight (8)"**.
- 15 Page 3, line 34, strike "(c)" and insert **"(d)"**.
- 16 Page 3, line 41, delete "(d)" and insert **"(e)"**.
- 17 Page 4, line 32, delete "A" and insert **"Before January 1, 2009, a"**.
- 18 Page 4, line 36, after "TRF." insert **"After December 31, 2008, a**
- 19 **member who has earned at least:**
- 20 **(1) eight (8) years of service in a position covered by PERF; or**
- 21 **(2) ten (10) years of service in a position covered by TRF or a**
- 22 **combination of the two (2) funds;**
- 23 **may purchase one (1) year of service credit for each five (5) years**

1 **of service that the member has completed in a position covered by**
 2 **PERF or TRF."**

3 Page 7, between lines 20 and 21, begin a new paragraph and insert:
 4 "SECTION 9. IC 5-10.2-4-1 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) This subsection
 6 applies to:

7 (1) members of the public employees' retirement fund who retire
 8 before July 1, 1995; and

9 (2) members of the Indiana state teachers' retirement fund who
 10 retire before May 2, 1989.

11 A member who has reached age sixty-five (65) and has at least ten (10)
 12 years of creditable service is eligible for normal retirement.

13 (b) This subsection applies to members of the Indiana state teachers'
 14 retirement fund who retire after May 1, 1989, and to members of the
 15 public employees' retirement fund who retire after June 30, 1995, **and**
 16 **before January 1, 2009**, except as provided in section 1.7 of this
 17 chapter. A member is eligible for normal retirement if:

18 (1) the member is at least sixty-five (65) years of age and has at
 19 least ten (10) years of creditable service;

20 (2) the member is at least sixty (60) years of age and has at least
 21 fifteen (15) years of creditable service; or

22 (3) the member's age in years plus the member's years of service
 23 is at least eighty-five (85) and the member is at least fifty-five
 24 (55) years of age.

25 **(c) This subsection applies to a member of the public employees'**
 26 **retirement fund who retires after December 31, 2008. A member**
 27 **is eligible for normal retirement if:**

28 **(1) the member is at least sixty-five (65) years of age and has**
 29 **at least eight (8) years of creditable service;**

30 **(2) the member is at least sixty (60) years of age and has at**
 31 **least fifteen (15) years of creditable service; or**

32 **(3) the member's age in years plus the member's years of**
 33 **service is at least eighty-five (85) and the member is at least**
 34 **fifty-five (55) years of age.**

35 ~~(c)~~ **(d)** A member who has reached age fifty (50) and has at least
 36 fifteen (15) years of creditable service is eligible for early retirement
 37 with a reduced pension.

38 ~~(d)~~ **(e)** A member who is eligible for normal or early retirement is
 39 entitled to choose a retirement date on which the member's benefit
 40 begins if the following conditions are met:

41 (1) The application for retirement benefits and the choice of the
 42 date is filed on a form provided by the board.

43 (2) The date must be after the cessation of the member's service
 44 and be the first day of a month.

45 (3) The retirement date is not more than six (6) months before the
 46 date the application is received by the board. However, if the

board determines that a member is incompetent to file for benefits and choose a retirement date, the retirement date may be any date that is the first of the month after the time the member became incompetent."

Page 8, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 11. IC 5-10.2-4-1.7, AS AMENDED BY P.L.88-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.7. (a) This section applies only to members of the public employees' retirement fund who retire after June 30, 2002.

(b) A member is eligible for normal retirement after becoming sixty-five (65) years of age if the member:

(1) has:

(A) served as an elected county official in an office described in Article 6, Section 2 of the Constitution of the State of Indiana for at least eight (8) years; or

(B) been elected at least two (2) times and would have served at least eight (8) years as an elected county official in an office described in Article 6, Section 2 of the Constitution of the State of Indiana had the member's term of office not been shortened under a statute enacted under Article 6, Section 2(b) of the Constitution of the State of Indiana; and

(2) is prohibited by Article 6, Section 2 of the Constitution of the State of Indiana from serving in that office for more than eight (8) years in any period of twelve (12) years.

(c) A member who:

(1) has served as an elected county official; and

(2) does not meet the requirements of subsection (b);

is eligible for normal retirement if the member has attained vested status (as defined in ~~IC 5-10.2-1-8(b)(3)~~ **IC 5-10.2-1-8(c)(3)**) and meets the requirements of section 1 of this chapter."

Page 13, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 16. IC 5-10.3-3-1, AS AMENDED BY P.L.62-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) The board is composed of six (6) trustees.

(b) Five (5) of the trustees shall be appointed by the governor, as follows:

(1) One (1) must be a member of the fund with at least ~~ten (10)~~ **eight (8)** years of creditable service.

(2) Not more than three (3) may be members of the same political party.

(3) One (1) must be:

(A) a:

(i) member of the fund or retired member of the fund; or

(ii) member of a collective bargaining unit of state employees represented by a labor organization; or

(B) an individual who is:

- (i) an officer or a member of a local, a national, or an international labor union that represents state or university employees; and
- (ii) an Indiana resident.

(c) The director of the budget agency or the director's designee is an ex officio voting member of the board. An individual appointed under this subsection to serve as the director's designee:

- (1) is subject to the provisions of section 3 of this chapter; and
- (2) serves as a permanent designee until replaced by the director.

(d) The governor shall fill by appointment vacancies on the board in the manner described in subsection (b).

(e) In making the appointments under subsection (b)(1) or (b)(2), the governor may consider whether at least one (1) trustee is a retired member of the fund under subsection (b)(3)(A)(i).

SECTION 17. IC 5-10.3-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) As used in this section, "withdrawing political subdivision" means a political subdivision that takes an action described in subsection (b).

(b) Subject to the provisions of this section, a political subdivision may do the following:

- (1) Stop its participation in the fund and withdraw all of the political subdivision's employees from participation in the fund.
- (2) Withdraw a departmental, an occupational, or other definable classification of employees from participation in the fund.
- (3) Stop the political subdivision's participation in the fund by:
 - (A) selling all of the political subdivision's assets; or
 - (B) ceasing to exist as a political subdivision.

(c) The withdrawal of a political subdivision's participation in the fund is effective on a termination date established by the board. The termination date may not occur before all of the following have occurred:

- (1) The withdrawing political subdivision has provided written notice of the following to the board:
 - (A) The withdrawing political subdivision's intent to cease participation.
 - (B) The names of the withdrawing political subdivision's current employees and former employees as of the date on which the notice is provided.
- (2) The expiration of:
 - (A) a ninety (90) day period following the filing of the notice with the board, for a withdrawing political subdivision that sells all of the withdrawing political subdivision's assets or that ceases to exist as a political subdivision; or
 - (B) a two (2) year period following the filing of the notice with the board, for all other withdrawing political subdivisions.
- (3) The withdrawing political subdivision takes all actions

1 required in subsections (d) through (h).

2 (d) With respect to retired members who have creditable service
3 with the withdrawing political subdivision, the withdrawing political
4 subdivision must contribute to the fund any additional amounts that the
5 board determines are necessary to provide for reserves with sufficient
6 assets to pay all future benefits from the fund to those retired members.
7 The contribution by the withdrawing political subdivision must be
8 made in a lump sum or in a series of payments determined by the
9 board.

10 (e) A member who is an employee of the political subdivision as of
11 the date of the notice under subsection (c) is vested in the pension
12 portion of the member's retirement benefit. The withdrawing political
13 subdivision must contribute to the fund the amount the board
14 determines is necessary to fund fully the vested benefit. The
15 contribution by the withdrawing political subdivision must be made in
16 a lump sum or in a series of payments determined by the board.

17 (f) A member who is covered by subsection (e) and who is at least
18 sixty-five (65) years of age may elect to retire under IC 5-10.2-4-1 even
19 if the member has fewer than ~~ten (10)~~ **eight (8)** years of service. The
20 benefit for the member shall be computed under IC 5-10.2-4-4 using
21 the member's actual years of service.

22 (g) With respect to members of the fund who have creditable service
23 with the withdrawing political subdivision and who are not employees
24 as of the date of the notice under subsection (c), the withdrawing
25 political subdivision must contribute the amount that the board
26 determines is necessary to fund fully the service for those members that
27 is attributable to service with the withdrawing political subdivision.
28 The contribution by the withdrawing political subdivision must be
29 made in a lump sum or in a series of payments determined by the
30 board.

31 (h) The board shall evaluate each withdrawal under this section to
32 determine if the withdrawal affects the fund's compliance with Section
33 401(a)(4) of the Internal Revenue Code of 1954, as in effect on
34 September 1, 1974. The board may deny a political subdivision
35 permission to withdraw if the denial is necessary to achieve compliance
36 with Section 401(a)(4) of the Internal Revenue Code of 1954, as in
37 effect on September 1, 1974.

38 SECTION 18. IC 5-10.3-6-8.5 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8.5. (a) This section
40 only applies if:

41 (1) certain employees of a state university in a departmental,
42 occupational, or other definable classification involved in health
43 care are terminated from employment with the state university as
44 a result of:

45 (A) a lease or other transfer of university property to a
46 nongovernmental entity; or

- 1 (B) a contractual arrangement with a nongovernmental entity
- 2 to perform certain state university functions;
- 3 (2) the state university requests coverage under this section from
- 4 the board; and
- 5 (3) the board approves the request.
- 6 (b) The withdrawal of the employees described in subsection (a)
- 7 from the fund is effective on a termination date established by the
- 8 board. The board may not establish a termination date that occurs
- 9 before all of the following have occurred:
- 10 (1) The state university has requested coverage under this section
- 11 and provided written notice of the following to the board:
- 12 (A) The intent of the state university to terminate the
- 13 employees from employment.
- 14 (B) The names of the terminated employees as of the date that
- 15 the termination is to occur.
- 16 (2) The expiration of a thirty (30) day period following the filing
- 17 of the notice with the board.
- 18 (3) The state university fully complies with subsection (c).
- 19 (c) A member who is an employee of the state university described
- 20 in subsection (a) as of the date of the notice under subsection (b) and
- 21 who is listed in the notice under subsection (b) is vested in the pension
- 22 portion of the member's retirement benefit. The state university must
- 23 contribute to the fund the amount the board determines is necessary to
- 24 completely fund the vested benefit. The contribution by the state
- 25 university must be made in a lump sum or in a series of payments
- 26 determined by the board.
- 27 (d) A member who is covered by subsection (c) and who is at least
- 28 sixty-five (65) years of age may elect to retire under IC 5-10.2-4-1 even
- 29 if the member has less than ~~ten (10)~~ **eight (8)** years of service. The
- 30 benefit for the member shall be computed under IC 5-10.2-4-4 using
- 31 the member's actual years of creditable service.
- 32 (e) The board shall evaluate each withdrawal under this section to
- 33 determine if the withdrawal affects the fund's compliance with Section
- 34 401(a) of the Internal Revenue Code of 1954, as in effect on September
- 35 1, 1974. The board may deny an employee permission to withdraw if
- 36 the denial is necessary to achieve compliance with Section 401(a) of
- 37 the Internal Revenue Code of 1954, as in effect on September 1, 1974.
- 38 SECTION 19. IC 5-10.3-6-8.9, AS ADDED BY P.L.158-2006,
- 39 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 40 JULY 1, 2008]: Sec. 8.9. (a) This section applies when certain
- 41 employees of the state in particular departmental, occupational, or
- 42 other definable classifications are terminated from employment with
- 43 the state as a result of:
- 44 (1) a lease or other transfer of state property to a nongovernmental
- 45 entity; or
- 46 (2) a contractual arrangement with a nongovernmental entity to

1 perform certain state functions.

2 (b) The governor shall request coverage under this section from the
3 board whenever an employee of the state is terminated as described in
4 subsection (a).

5 (c) The board must approve a request from the governor under
6 subsection (b) unless approval violates subsection (k), federal or state
7 law, or the terms of the fund.

8 (d) As used in this section, "early retirement" means a member is
9 eligible to retire with a reduced pension under IC 5-10.2-4-1 because
10 the member:

11 (1) is at least fifty (50) years of age; and

12 (2) has at least fifteen (15) years of creditable service.

13 (e) As used in this section, "normal retirement" means a member is
14 eligible to retire under IC 5-10.2-4-1 because:

15 (1) the member is at least sixty-five (65) years of age and has at
16 least ~~ten (10)~~ **eight (8)** years of creditable service;

17 (2) the member is at least sixty (60) years of age and has at least
18 fifteen (15) years of creditable service; or

19 (3) the member's age in years plus the member's years of service
20 is at least eighty-five (85) and the member is at least fifty-five
21 (55) years of age.

22 (f) The withdrawal of the employees described in subsection (a)
23 from the fund is effective on a termination date established by the
24 board. The board may not establish a termination date that occurs
25 before all of the following have occurred:

26 (1) The governor has requested coverage under this section and
27 provided written notice of the following to the board:

28 (A) The intent of the state to terminate the employees from
29 employment.

30 (B) The names of the terminated employees as of the date that
31 the termination is to occur.

32 (2) The expiration of a thirty (30) day period following the filing
33 of the notice with the board.

34 (3) The state complies with subsections (g) and (i).

35 (g) A member who:

36 (1) is an employee of the state described in subsection (a) with at
37 least twenty-four (24) months of creditable service as of the date
38 of the notice under subsection (f); and

39 (2) is listed in the notice under subsection (f);

40 is vested in the pension portion of the member's retirement benefit. The
41 state must contribute to the fund the amount the board determines is
42 necessary to completely fund the vested benefit. The contribution by
43 the state must be made in a lump sum or in a series of payments
44 determined by the board. The benefit for the member shall be
45 computed under IC 5-10.2-4-4 using the member's actual years of
46 creditable service.

(h) A member who is covered by subsection (g) and who is at least sixty-five (65) years of age as of the date of the notice under subsection (f) may elect to retire under IC 5-10.2-4-1 even if the member has less than ~~ten (10)~~ **eight (8)** years of service. The benefit for the member shall be computed under IC 5-10.2-4-4 using the member's actual years of creditable service.

(i) A member who is covered by subsection (f) and who, as of the date of the notice under subsection (f), is less than twenty-four (24) months from being eligible for normal or early retirement under IC 5-10.2-4-1 may elect to retire by purchasing the service credit needed for retirement under the following conditions:

(1) The state shall contribute to the fund an amount determined under IC 5-10.2-3-1.2 and payable from the sources described in subsection (j) sufficient to pay the member's contributions required for the member's purchase of the service credit the member needs to retire.

(2) The maximum amount of creditable service that the state may purchase for a member under this subsection is twenty-four (24) months.

(3) The benefit for the member shall be computed under IC 5-10.2-4-4 using the member's actual years of creditable service plus all other service for which the fund gives credit, including the creditable service purchased under this subsection.

(j) The amounts that the state is required to contribute to the fund under subsection (i) must come from the following sources:

(1) If the state receives monetary payments under the lease or contractual arrangement described in subsection (a), the proceeds of the monetary payments received by the state. The state may not require, as a condition of the transaction to transfer state property or have certain state functions performed by a nongovernmental entity, that the nongovernmental entity directly or indirectly pay the amounts that the state is required to contribute under subsection (i).

(2) If the state does not receive any monetary payments under the lease or contractual arrangement described in subsection (a), any remaining appropriations made to the state department, agency, or other entity terminating the employees described in subsection (a).

(3) If the sources described in subdivisions (1) and (2) do not fully fund the amounts that the state is required to contribute to the fund under subsection (i), the board shall request that the general assembly appropriate the amount necessary to fully fund the state's required contribution under subsection (i) in the next biennial state budget.

(k) The board shall evaluate each withdrawal under this section to determine if the withdrawal affects the fund's compliance with Section

401(a) of the Internal Revenue Code of 1954, as in effect on September 1, 1974. The board may deny an employee permission to withdraw if the denial is necessary to achieve compliance with Section 401(a) of the Internal Revenue Code of 1954, as in effect on September 1, 1974.

SECTION 20. IC 5-10.3-7-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.5. (a) As used in this section, "out-of-state service" means service in another state in a comparable position that would be creditable service if performed in Indiana.

(b) Subject to subsections (c) through (f), a member may purchase out-of-state service credit if the member meets the following requirements:

(1) The member has at least one (1) year of creditable service in the fund.

(2) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member actually makes a contribution for the service credit.

(ii) A rate, determined by the actuary of the fund, based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of out-of-state service the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary for the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

(3) The member has received verification from the fund that the out-of-state service is, as of that date, valid.

(c) Out-of-state years that qualify a member for retirement in an out-of-state system or in any federal retirement system may not be granted under this section.

(d) At least ~~ten (10)~~ **eight (8)** years of service in Indiana is required before a member may receive a benefit based on out-of-state service credits.

(e) A member who:

(1) terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance; or

(2) receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the Social Security Act;

1 may withdraw the purchase amount plus accumulated interest after
 2 submitting a properly completed application for a refund to the fund.

3 (f) The following apply to the purchase of service credit under this
 4 section:

5 (1) The board may allow a member to make periodic payments of
 6 the contributions required for the purchase of the service credit.
 7 The board shall determine the length of the period during which
 8 the payments must be made.

9 (2) The board may deny an application for the purchase of service
 10 credit if the purchase would exceed the limitations under Section
 11 415 of the Internal Revenue Code.

12 (3) A member may not claim the service credit for purposes of
 13 determining eligibility or computing benefits unless the member
 14 has made all payments required for the purchase of the service
 15 credit.

16 SECTION 21. IC 5-10.3-7-4.6 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.6. (a) Subject to the
 18 provisions of this section, a member may purchase service credit for
 19 the member's prior service in a position covered by the 1925 police
 20 pension fund under IC 36-8-6, the 1937 firefighters' pension fund under
 21 IC 36-8-7, or the 1953 police pension fund under IC 36-8-7.5 if the
 22 member meets the following requirements:

23 (1) The member has at least one (1) year of credited service in the
 24 fund.

25 (2) The member has not attained vested status in and is not an
 26 active member of the 1925 police pension fund, the 1937
 27 firefighters' pension fund, or the 1953 police pension fund.

28 (3) Before the member retires, the member makes contributions
 29 to the fund as follows:

30 (A) Contributions that are equal to the product of the
 31 following:

32 (i) The member's salary at the time the member actually
 33 makes a contribution for the service credit.

34 (ii) A rate, determined by the actuary of the fund, based on
 35 the age of the member at the time the member actually
 36 makes a contribution for service credit and computed to
 37 result in a contribution amount that approximates the
 38 actuarial present value of the benefit attributable to the
 39 service credit purchased.

40 (iii) The number of years of service credit the member
 41 intends to purchase.

42 (B) Contributions for any accrued interest, at a rate determined
 43 by the actuary for the fund, for the period from the member's
 44 initial membership in the fund to the date payment is made by
 45 the member.

46 (4) The member has received verification from the fund that the

1 service in the 1925 police pension fund, the 1937 firefighters'
 2 pension fund, or the 1953 police pension fund is, as of that date,
 3 valid.

4 (b) At least ~~ten (10)~~ **eight (8)** years of service in Indiana is required
 5 before a member may receive a benefit based on service credits
 6 purchased under this section.

7 (c) A member who:

8 (1) terminates employment before satisfying the eligibility
 9 requirements necessary to receive a monthly allowance; or

10 (2) receives a monthly allowance for the same service from
 11 another tax supported public employee retirement plan other than
 12 under the Social Security Act;

13 may withdraw the purchase amount plus accumulated interest after
 14 submitting a properly completed application for a refund to the fund.

15 (d) The following apply to the purchase of service credit under this
 16 section:

17 (1) The board may allow a member to make periodic payments of
 18 the contributions required for the purchase of the service credit.
 19 The board shall determine the length of the period during which
 20 the payments must be made.

21 (2) The board may deny an application for the purchase of service
 22 credit if the purchase would exceed the limitations under Section
 23 415 of the Internal Revenue Code.

24 (3) A member may not claim the service credit for purposes of
 25 determining eligibility or computing benefits unless the member
 26 has made all payments required for the purchase of the service
 27 credit.

28 SECTION 22. IC 5-10.3-7-5 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) A member who:

30 (1) enters the United States armed services;

31 (2) leaves ~~his the member's~~ contributions in the fund;

32 (3) except as provided in subsection (c), resumes service with ~~his~~
 33 **the member's** employer within one hundred twenty (120) days
 34 after ~~his the member's~~ unconditional discharge; and

35 (4) would be entitled to service credit for military service under
 36 the Uniformed Services Employment and Reemployment Rights
 37 Act (38 U.S.C. 4301 et seq.) if the member had resumed service
 38 with the member's employer within ninety (90) days after
 39 discharge;

40 is entitled to service credit for the armed service.

41 (b) A state employee who left employment before January 1, 1946,
 42 or an employee of a political subdivision who left employment before
 43 the participation date, to enter the United States armed services is
 44 entitled to service credit for the armed service if ~~he: the employee:~~

45 (1) except as provided in subsection (c), resumes service with the
 46 employer within one hundred twenty (120) days after ~~his the~~

1 **employee's** unconditional discharge; and

2 (2) would be entitled to service credit for military service under
3 the applicable requirements of federal law in effect at the time of
4 reemployment if the employee had resumed service with the
5 employee's employer within ninety (90) days after discharge.

6 (c) The board shall extend the one hundred twenty (120) day
7 reemployment requirement contained in subsection (a)(3) or (b)(1) if
8 the board determines that an illness, an injury, or a disability related to
9 the member's military service prevented the member from resuming
10 employment within one hundred twenty (120) days after the member's
11 discharge from military service. However, the board may not extend the
12 deadline beyond thirty (30) months after the member's discharge.

13 (d) If a member retires and the board subsequently determines that
14 the member is entitled to additional service credit due to the extension
15 of a deadline under subsection (c), the board shall recompute the
16 member's benefit. However, the additional service credit may be used
17 only in the computation of benefits to be paid after the date of the
18 board's determination, and the member is not entitled to a
19 recomputation of benefits received before the date of the board's
20 determination.

21 (e) Notwithstanding any provision of this section, a member is
22 entitled to service credit and benefits in the amount and to the extent
23 required by the Uniformed Services Employment and Reemployment
24 Rights Act (38 U.S.C. 4301 et seq.).

25 (f) Subject to the provisions of this section, an active member may
26 purchase not more than two (2) years of service credit for the member's
27 service on active duty in the armed services if the member meets the
28 following conditions:

29 (1) The member has at least one (1) year of credited service in the
30 fund.

31 (2) The member serves on active duty in the armed services of the
32 United States for at least six (6) months.

33 (3) The member receives an honorable discharge from the armed
34 services.

35 (4) Before the member retires, the member makes contributions
36 to the fund as follows:

37 (A) Contributions that are equal to the product of the
38 following:

39 (i) The member's salary at the time the member actually
40 makes a contribution for the service credit.

41 (ii) A rate, determined by the actuary of the fund, that is
42 based on the age of the member at the time the member
43 actually makes a contribution for service credit and
44 computed to result in a contribution amount that
45 approximates the actuarial present value of the benefit
46 attributable to the service credit purchased.

1 (iii) The number of years of service credit the member
2 intends to purchase.

3 (B) Contributions for any accrued interest, at a rate determined
4 by the actuary of the fund, for the period from the member's
5 initial membership in the fund to the date payment is made by
6 the member.

7 However, a member is entitled to purchase service credit under this
8 subsection only to the extent that service credit is not granted for that
9 time under another provision of this section. At least ~~ten (10)~~ **eight (8)**
10 years of service in Indiana is required before a member may receive a
11 benefit based on service credits purchased under this section. A
12 member who terminates employment before satisfying the eligibility
13 requirements necessary to receive a monthly allowance or receives a
14 monthly allowance for the same service from another tax supported
15 public employee retirement plan other than under the federal Social
16 Security Act may withdraw the purchase amount plus accumulated
17 interest after submitting a properly completed application for a refund
18 to the fund.

19 (g) The following apply to the purchase of service credit under
20 subsection (f):

21 (1) The board may allow a member to make periodic payments of
22 the contributions required for the purchase of the service credit.
23 The board shall determine the length of the period during which
24 the payments must be made.

25 (2) The board may deny an application for the purchase of service
26 credit if the purchase would exceed the limitations under Section
27 415 of the Internal Revenue Code.

28 (3) A member may not claim the service credit for purposes of
29 determining eligibility or computing benefits unless the member
30 has made all payments required for the purchase of the service
31 credit."

32 Page 13, between lines 30 and 31, begin a new paragraph and insert:
33 "SECTION 24. [EFFECTIVE JULY 1, 2008] **(a) IC 5-10.2-3-1.2,**
34 **as amended by this act, applies to a member of the public**
35 **employees' retirement fund who purchases service credit after**
36 **December 31, 2008.**

37 **(b) IC 5-10.3-3-1, as amended by this act, applies to**
38 **appointments to the board of trustees of the public employees'**
39 **retirement fund that are made after December 31, 2008.**

40 **(c) IC 5-10.3-6-8, IC 5-10.3-6-8.5, and IC 5-10.3-6-8.9, all as**
41 **amended by this act, apply to members of the public employees'**
42 **retirement fund who retire after December 31, 2008.**

43 **(d) IC 5-10.3-7-4.5, as amended by this act, applies to benefits**
44 **provided after December 31, 2008, based on out-of-state service**
45 **credit purchased under IC 5-10.3-7-4.5.**

46 **(e) IC 5-10.3-7-4.6, as amended by this act, applies to benefits**

1 **provided after December 31, 2008, based on service credit for prior**
2 **service purchased under IC 5-10.3-7-4.6.**

3 **(f) IC 5-10.3-7-5, as amended by this act, applies to benefits**
4 **provided after December 31, 2008, based on service credit for prior**
5 **service purchased under IC 5-10.3-7-5."**

6 Renumber all SECTIONS consecutively.

(Reference is to ESB 72 as printed February 8, 2008.)

Representative Tincher